

DATE IN - 10/4/01	SUSPENSE 10/24/01	ENGINEER MS	LOGGED BY KW	TYPE NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

RECEIVED

OCT 5 2001

ADMINISTRATIVE APPLICATION COVERSHEET

OIL CONSERVATION DIVISION

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

OCT - 4 2001

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Kay Maddox		Regulatory Agent	10/1/01
Print or Type Name	Signature	Title	Date



Mid-Continent Region
Exploration/Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

October 1, 2001

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 Saint Francis Drive
Santa Fe, New Mexico 87504

Application for Nonstandard location Cass Pool

SEMU # 162
Section 23, T-20-S, R-37-E, C
330 FNL & 2310 FWL
Lea County, NM

Dear Mr. Stogner,

The Southeast Monument Unit well # 162 has been staked within a mile of the Cass pool. The standard location for a Cass Pool well shall be within 150 feet of the center of a governmental quarter-quarter section or lot. This well is staked outside of that radius therefore a nonstandard location order is required. This nonstandard well location proposal follows the successful Strawn completion of the SEMU # 160 in Section 14, also a nonstandard location.

Please reference the three attached exhibits that support this request for the nonstandard location for the SEMU 162.

Exhibit 1 is a southwest to northeast seismic cross-section through the Continental Oil B Skaggs B-23 #8 and the proposed SEMU # 162. The red line illustrates Conoco's correlation of the Top of the Strawn seismic pick at approximately 1025 milliseconds. The green line immediately below illustrates the Top of the Devonian. The interval bounded by these two horizons thins from southwest to northeast across the seismic cross-section. The seismic section also demonstrates that Conoco expects to encounter the Top of the Strawn higher in the SEMU # 162 than in the Skaggs B-23 #8. It is Conoco's contention that the Strawn interval is productive in the Skaggs B-23 #8; however, it was not adequately tested and cannot be re-entered.

Exhibit 2 is a depth map on the Top of the Strawn. The light green to red coloration illustrates an increase in structure from the basin to the southwest to a northwest - southeast trending ridge through Sections 15 and 23. The map shows that the SEMU #162 is high to the Skaggs B-23 #8 and perhaps on trend with the structural nose supported by the SEMU # 160 location.

Exhibit 3 is a page size plot of a standard 640 acre section. A standard location for a Cass Pool well is within 150 feet of the center of a quarter-quarter section and is shown on Exhibit 3 as red circles of 150-foot radius. A northeasterly location is required to offset the Skaggs B-23 #8 in a structurally high position and is not available from a standard location.

The proposed nonstandard location will allow Conoco to drill the Strawn in a position high to the Skaggs B-23 #8, to further test our interpretation of the Strawn interval, and to allow for the possibility of standard location completions in up-hole, potentially productive zones.

The SEMU # 162 lies within the Conoco operated Southeast Monument Unit. Conoco is the only offset operator, there is no notification required. After drilling the SEMU # 162 and documenting commercial production, Conoco will apply to amend and enlarge the newly created (based on the production from the SEMU # 160) Strawn Participating area within the Southeast Monument Unit.

Conoco respectfully requests an administrative nonstandard location order for the SEMU # 162. If you need any additional data please call me at (915) 686-5798.

Sincerely,

A handwritten signature in black ink that reads "Kay Maddox". The signature is written in a cursive, flowing style.

Kay Maddox
Regulatory Agent – Conoco

CC: NMOCD - Hobbs

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 10450	Pool Name CASS (Penn) Pool
Property Code	Property Name SEMU	Well Number 162
OGRID No. 005073	Operator Name CONOCO INC.	Elevation 3535'

Surface Location

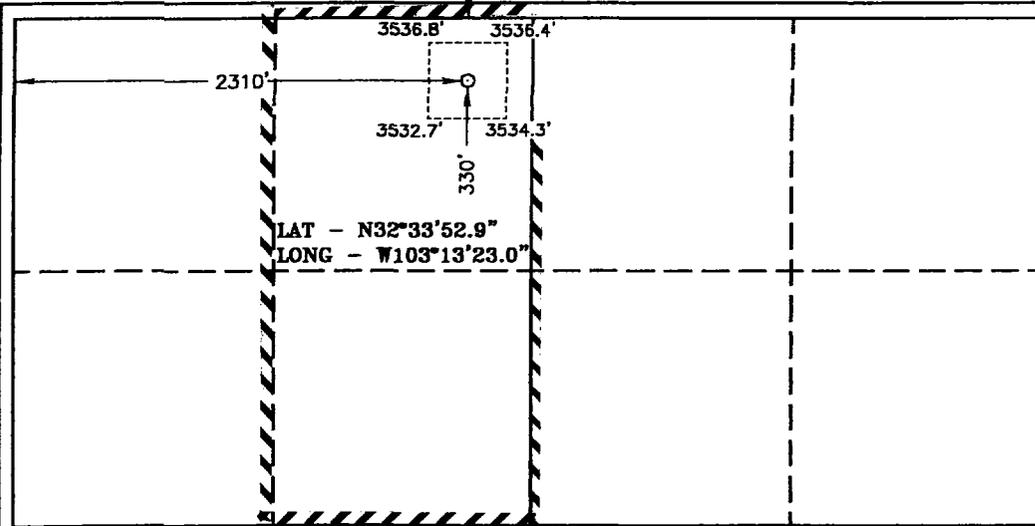
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	23	20 S	37 E		330	NORTH	2310	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 80	Joint or Infill	Consolidation Code	Order No. Non-standard location - order required
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Kay Maddox
Signature

KAY MADDOX
Printed Name

Regulatory Agent
Title

September 10, 2001
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

August 30, 2001
Date Surveyed

Signature of Surveyor
Professional Surveyor
NEW MEXICO

W.O. No. 1350

W.O. No. 1350 Jones 7977

PROFESSIONAL LAND SURVEYOR

BASIN SURVEYS

(CASS POOL - Cont'd.)

protect correlative rights, special rules and regulations providing for 80-acre spacing units should be promulgated for the Cass Pool.

(5) That the special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That the applicant has not established that authority to transfer allowables within the Cass Pool will prevent waste or protect correlative rights.

(7) That the applicant's request for authority to transfer allowables within the Cass Pool should be denied.

IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Cass Pool are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE
CASS POOL**

RULE 1. Each well completed or recompleted in the Cass Pool or in the Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Pennsylvanian oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. (As Amended by Order No. R-2825-B, December 7, 1964.) Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. (As Amended by Order No. R-2825-A, December 7, 1964.) A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 3.33 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Cass Pool or in the Pennsylvanian formation within one mile thereof that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before December 15, 1964.

(2) That each well presently drilling to or completed in the Cass Pool or in the Pennsylvanian formation within one mile thereof shall receive a 40-acre allowable until a Form C-128 dedicating 80 acres to the well has been filed with the Commission.

(3) That the applicant's request for authority to transfer allowables within the Cass Pool is hereby denied.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

(MEDICINE ROCK-DEVONIAN POOL - Cont'd.)

(2) That the applicant, Sinclair Oil & Gas Company, seeks the promulgation of special rules and regulations for the Medicine Rock-Devonian Pool, Lea County, New Mexico, including a provision for 80-acre oil proration units.

(3) That the evidence presented at the hearing of this case establishes that the Medicine Rock-Devonian Pool can be efficiently and economically drained and developed on 80-acre proration units, and that such development will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Medicine Rock-Devonian Pool are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE MEDICINE ROCK-DEVONIAN POOL**

RULE 1. Each well completed or recompleted in the Medicine Rock-Devonian Pool or in the Devonian formation within one mile of the Medicine Rock-Devonian Pool, and not nearer to or within the limits of another designated Devonian oil pool, shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Medicine Rock-Devonian Pool shall be located on a unit containing approximately 80 acres, which consists of any two contiguous quarter-quarter sections of a single governmental quarter section. For purposes of these Rules, a unit consisting of between 79 and 81 surface contiguous acres shall be considered a standard unit.

RULE 3. Each well projected to or completed in the Medicine Rock-Devonian Pool shall be located within 150 feet of the center of either quarter-quarter section in the 80-acre unit; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the 80-acre unit.

RULE 4. For good cause shown, the Secretary-Director may grant an exception to Rule 2 without notice and hearing where an application has been filed in due form, and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey, or where the following facts exist and the following provisions are complied with:

- (1) The non-standard unit consists of a single quarter-quarter section or lot.
- (2) The non-standard unit consists of not more than 81 acres.
- (3) The entire non-standard unit may reasonably be presumed to be productive of oil from said pool.
- (4) The applicant presents written consent in the form of waivers from all offset operators.
- (5) In lieu of Paragraph 4 of this Rule, the applicant may furnish proof of the fact that all of the offset operators were notified of his intent to form such non-standard unit. The Secretary-Director may approve the application if, after a period of 30 days, no such operator has entered an objection to the formation of the non-standard unit.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Medicine Rock-Devonian Pool shall be assigned an 80-acre proportional factor of 7.75 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit,

the operator may produce the allowable assigned to the unit from said wells in any proportion.

IT IS FURTHER ORDERED:

That the allowable provisions of this order shall become effective October 1, 1962. Further, that all operators who propose to dedicate 80 acres to a well in the Medicine Rock-Devonian Pool must file an amended Commission Form C-128 with the Hobbs District Office of the Commission by September 27, 1962.

IT IS FURTHER ORDERED:

That any well drilled or drilling in accordance with State-wide Rule 104 on the date of entry of this order which is located in exception to the above-described well location requirements is hereby granted an exception to said requirements.

IT IS FURTHER ORDERED:

That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

**CASS POOL
Lea County, New Mexico**

Order No. R-2825, Adopting Operating Rules for the Cass Pool, Lea County, New Mexico, December 7, 1964, as Amended by Order No. R-2825-A, December 7, 1964, and Order No. R-2825-B, December 7, 1964.

Application of Continental Oil Company for Special Pool Rules, Lea County, New Mexico.

CASE NO. 3156
Order No. R-2825

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on November 24, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 7th day of December, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

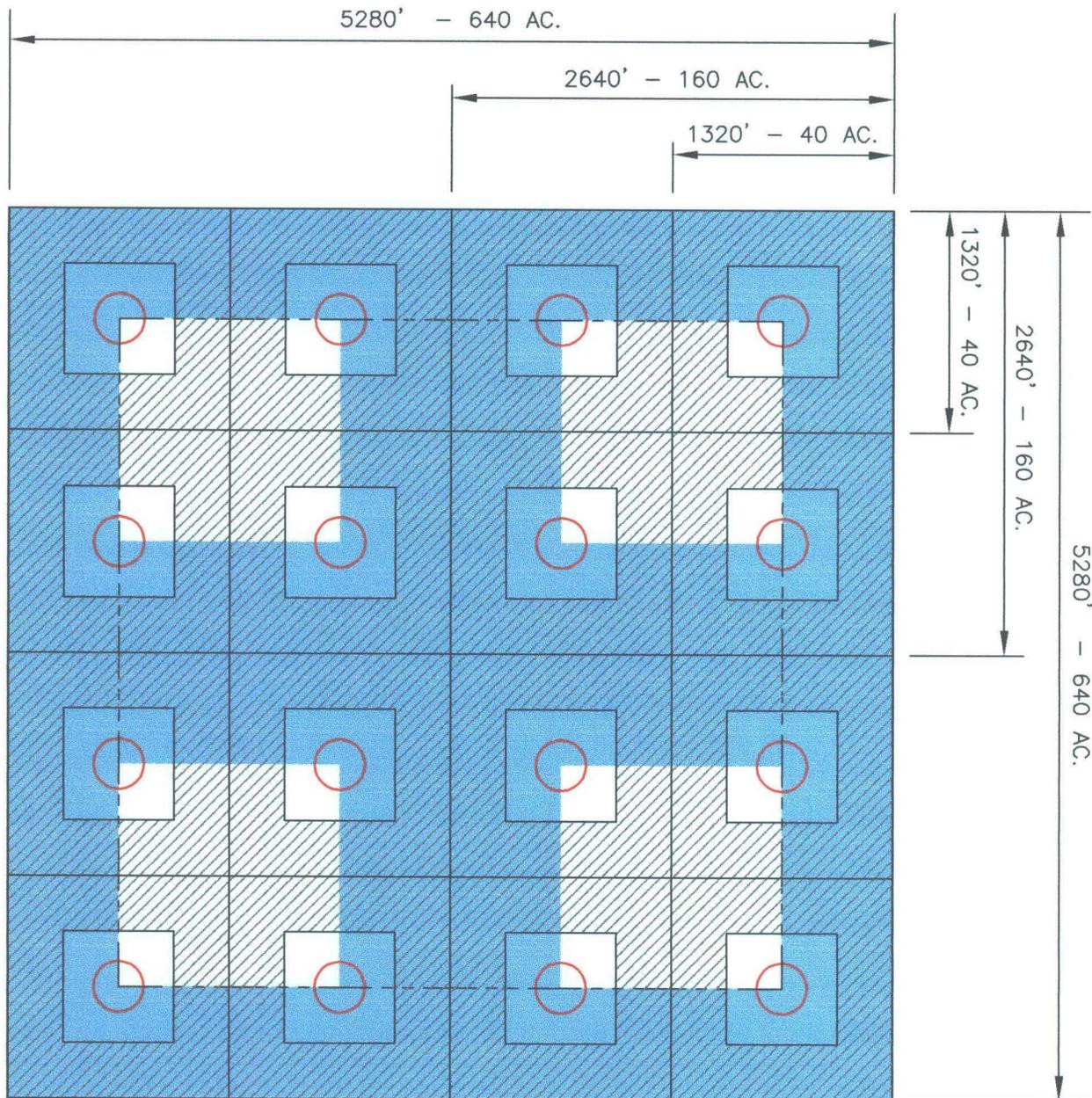
FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Continental Oil Company, seeks the promulgation of special rules and regulations for the Cass Pool in Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, including a provision for 80-acre spacing and authority to transfer allowables.
- (3) That one well in the Cass Pool can efficiently and economically drain and develop 80 acres.

(4) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and

**LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE**

**LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE**



NOTES



STANDARD 660' OFFSET FROM 160.0 AC. LINE



STANDARD 330' OFFSET FROM INTERIOR 40 AC. SUBDIVISION LINES



150' RADIUS

DATE: 3/23/2001

DRAWN BY: glg

CHECKED BY:

APPROVED BY:

SCALE: 1" = 1000'



EXPLORATION PRODUCTION AMERICAS

CASS POOL
STANDARD 640 AC. SECTION
ALLOWABLE SURFACE LOCATIONS

DRAWING

CASS

CONOCO INC. OFFICE
10 DESTA DRIVE WEST
MIDLAND, TEXAS 79705

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/12/01 10:16:49
OGOMES -TQG7
PAGE NO: 1

Sec : 23 Twp : 20S Rng : 37E Section Type : NORMAL

D 40.00 Federal owned A	C 40.00 Federal owned C	B 40.00 Federal owned A	A 40.00 Federal owned
E 40.00 Federal owned A A	F 40.00 Federal owned A	G 40.00 Federal owned	H 40.00 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/12/01 10:16:54
OGOMES -TQG7
PAGE NO: 2

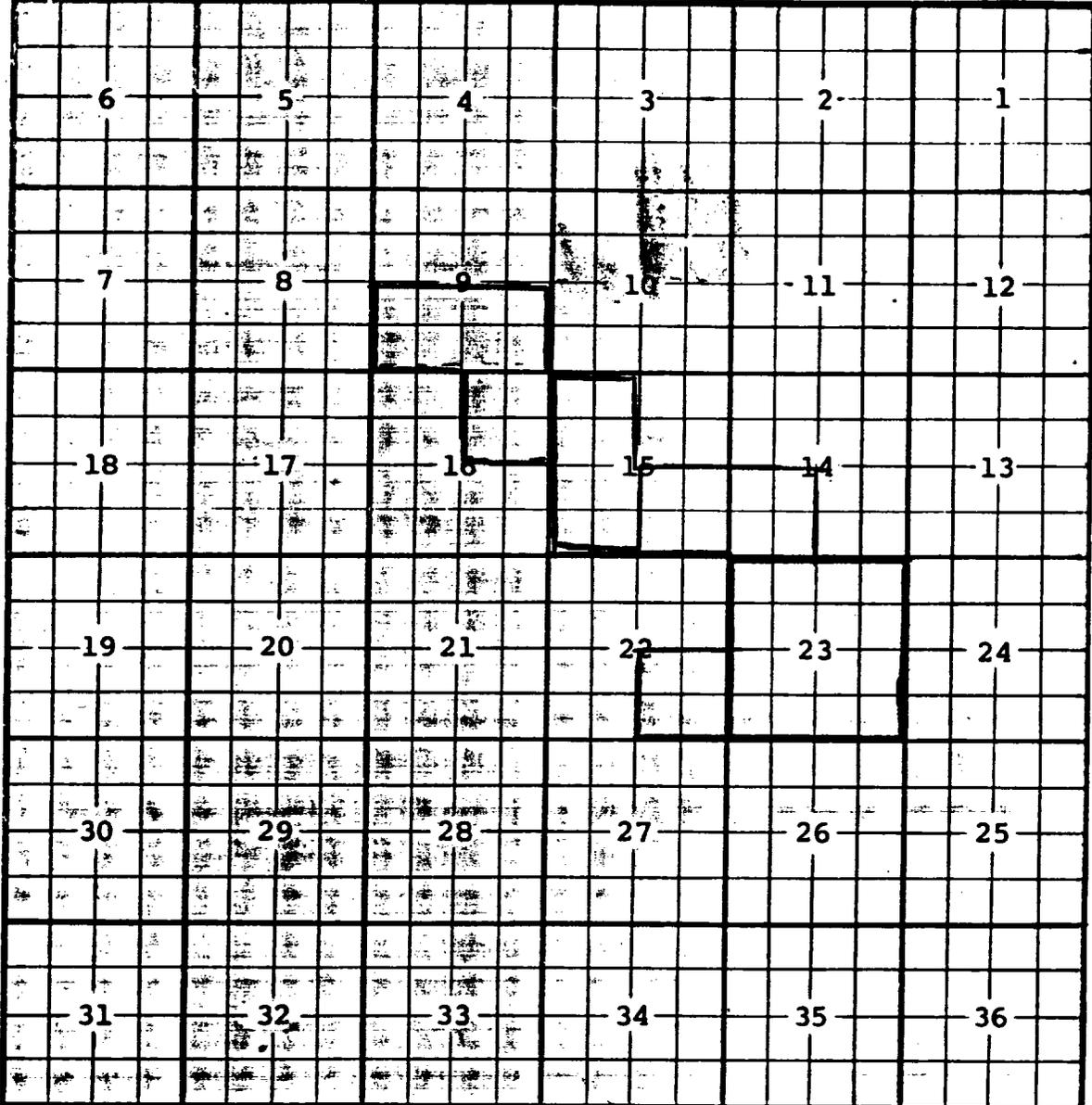
Sec : 23 Twp : 20S Rng : 37E Section Type : NORMAL

L 40.00 Federal owned A	K 40.00 Federal owned A A	J 40.00 Federal owned A A	I 40.00 Federal owned A
M 40.00 Federal owned	N 40.00 Federal owned	O 40.00 Federal owned A	P 40.00 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

COUNTY Lea POOL Cass (PE.)

TOWNSHIP 20-South RANGE 37-East NMPM



Description: All Sec. 23.
Ext: ^{SW} 1/4 Sec. 14; ^{SE} 1/4 Sec. 15, (R-1008, 5-29-57).
- ^{SE} 1/4 Sec. 11 (R-3530, 11-1-68) EXT: ^W 1/2 Sec. 15 (R-8626, 4/1/88)
Ext: ^S 1/2 Sec. 9, ^{NE} 1/4 Sec. 16 (R-9843, 2-8-93)



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

10/3/01

Lori Wrotenbery
Director
Oil Conservation Division

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:
MC _____
DHC _____
NSL X _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Conoco Inc SEMUR # 162-C 23-26.s. 37e
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Chris Williams
Chris Williams
Supervisor, District 1

New Mexico Oil Conservation Division---Engineering Bureau
Administrative Application Process Documentation

Date Application Received: 10-4-2001

Date of Preliminary Review: 10-12-2001
(Note: Must be within 10-days of received date)

Results: **Application Complete** **Application Incomplete**

Date Incomplete Letter Sent: NA

Deadline to Submit Requested Information: NA

Phone Call Date: —
(Note: Only applies is requested data is not submitted within the 7-day deadline)

Phone Log Completed? **Yes** **No**

Date Application Processed: 10-12-2001

Date Application Returned: _____
(Note: Only as a last resort & only after repeated attempts by the Division to obtain the necessary information to process the application)